
Capital Budget Committee

HB 3264

Brief Description: Regarding public works projects.

Sponsors: Representatives Loomis, Ormsby, Lias and Wood.

Brief Summary of Bill

- Revises the definition of public works projects within the Public Works Assistance Account (PWAA) program by adding legislatively-identified categories of infrastructure.
- Revises the Public Works Board's (PWB) funding requirements and changes the factors that must be considered when prioritizing projects.
- Eliminates the requirement for legislative approval of the PWB list of construction projects.

Hearing Date: 2/4/08

Staff: Nona Snell (786-7153).

Background:

The PWAA, commonly known as the Public Works Trust Fund, was created by the Legislature in 1985 to provide a source of loan funds to assist local governments and special purpose districts with infrastructure projects. All local governments except port districts and school districts are eligible to receive loans. The PWB, within the Department of Community, Trade, and Economic Development (CTED), is authorized to make low-interest or interest-free loans from the account to finance the repair, replacement, or improvement of the following public works systems: bridges, roads, water and sewage systems, and solid waste and recycling facilities.

The PWAA appropriation is made in the capital budget, but the PWB must submit the project list to the Legislature annually in separate legislation. Each year, the PWB is required to submit a list of public works projects to the Legislature for approval. The Legislature may remove projects

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from the list, but it may not add any projects or change the order of project priorities. Legislative approval is not required for pre-construction activities, planning loans, or emergency loans.

Summary of Bill:

The PWAA program is modified by changing the prioritization process for projects and eliminating legislative approval of the lists. The Legislature is prohibited from specifying funding for individual projects, and the Legislature may specify categories of infrastructure when appropriating PWAA funds. The requirement that 15 percent of the appropriation must fund emergency loans, preconstruction loans, and capital facility planning is eliminated.

When prioritizing projects, the PWB must consider the maximum achievement of state policy goals consistent with the categories specified in the capital budget, and the cost of a project, including all phases receiving state assistance, compared to the fiscal capacity of the local government. The requirement that the PWB must consider the size of the local government and amount of loan money available when prioritizing projects is eliminated.

The public works project definition is changed by including categories of local infrastructure projects specified in the capital budget.

The PWB is prohibited from giving financial guarantees to local governments, and prohibited from authorizing loans in excess of the PWAA balance.

The PWB's reporting requirements are changed by eliminating the inclusion of unemployment rates, demonstration of the jurisdiction's critical need for the project, local funds used for the project, and measures of fiscal capacity of each jurisdiction. An explanation of how projects are scored, identification of all state funding for the project, and a status report of all uncomplete projects are added to the reporting requirements.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect on July 1, 2009.